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CENTRAL INTELLIGENCE AGENCY

14 December 1949

INTELLIGENCE MEMORANDUM NO. 261

SUBJECT: Role of WFTU in Soviet Drive in Southeast Asia

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SUMMARY

In its drive to obtain domination over Southeast Asia, the USSR has apparently assigned a major role to the World Federation of Trade Unions (WFTU) and is accelerating its efforts to effect Communist control over labor organizations throughout the Far East. Acting chiefly through the recently established WFTU Asian Labor Bureau in Peiping, the USSR is seeking to harness the resources of the well-disciplined Chinese Communist labor federation to the task of penetrating the labor movements of Southeast Asia. Without decisive counteraction by non-Communist labor forces and Southeast Asian governments, these efforts are likely to achieve considerable success, particularly in Burma, Thailand, Indonesia, and the Philippines. The advantages which will accrue to the USSR, if labor in Southeast Asia is successfully organized under Communist control, are: (1) substantially increased capabilities for disrupting the national economies; (2) a strong nucleus for gaining political control over the area by laying the groundwork for the formation of "united front" coalitions and "national liberation armies"; and (3) increased Chinese Communist influence throughout the area.

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Note: This memorandum has not been coordinated with the intelligence organizations of the Departments of State, Army, Navy, and the Air Force.

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ROLE OF WFTU IN SOVIET DRIVE IN SOUTHEAST ASIA

1. Background.

The current Soviet drive for control of Southeast Asian labor was launched at the January 1949 meeting of the WFTU Executive Committee, when Soviet trade unionists outlined plans for bringing Far East labor organizations into the WFTU. At the July 1949 WFTU World Congress, the Soviet delegate announced that the WFTU was henceforth to consider "assistance to the trade unions of the colonial and dependent countries" as its primary task and should call an Asian regional conference to consider the means for extending such aid. The Soviet drive really got under way in November 1949, when the WFTU held the Asian and Australasian Trade Union Conference in Peiping to consider means for "liberating the oppressed peoples of Asia." The conference was attended by WFTU Executive Bureau members and by trade union representatives from Burma, Ceylon, China, India, Indonesia, Iran, Malaya, Mongolia, North Korea, the Philippines, Thailand, South Korea, the USSR, and Vietnam.

2. Instruments of WFTU Penetration.

It is thus apparent that the WFTU has been assigned the principal role in the Soviet Union's drive for control of the labor force in the Far East. In the performance of this task, the WFTU will receive the support of the Communist-controlled International Democratic Workers' Women's Federation and the World Federation of Democratic Youth. WFTU capabilities for successful execution of this drive have been enhanced by the withdrawal of its Western elements and the complete sovietization of its staff. The WFTU is expected to allocate a major share of its financial resources to the Asian drive, with the Soviet Legation in Bangkok as a possible dispersing center for these funds. (The exact extent of WFTU financial resources is unknown; the availability of special Soviet funds in support of the July 1949 London dock strike indicates that they may be substantial.)

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In the Southeast Asian campaign, the WFTU will operate primarily through its Asian Labor Bureau established at the November conference in Peiping. The Bureau will provide a regional center for the coordinated planning and direction of WFTU operations throughout the Far East. In addition to seeking to establish new unions in areas where none exist, the Bureau will operate through existing Communist-controlled unions in

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Burma, Thailand, Indonesia, and the Philippines, and through overseas Chinese labor unions.

The well-disciplined Communist all-China Federation of Labor will have the dominant role in the new Asian Labor Bureau, which is located in Peiping. Moscow-trained Li Li-san, the leading Chinese labor organizer, currently in charge of the Chinese Communist trade union training program, is expected to have an important part in directing the Bureau. The Bureau will consequently be in a good position to harness the resources of the Chinese Communist labor federation to the task of penetrating the labor movements of Southeast Asia.

A major part of the Asian Labor Bureau's activities will be devoted to gaining control over such national labor federations as the Burmese Trade Union Congress, the Thai Central Labor Union, the Union of Indonesian Workers Organizations, and the Philippine Congress of Labor. The Bureau will almost certainly instruct the Communist-dominated unions in these countries to bring increasing pressure upon the national organizations to affiliate with the WFTU. As part of this campaign, and in an attempt to create further opportunities for Communist exploitation, these Communist elements will probably during 1950 resort increasingly to local strikes, coordinated boycotts against Western shipping, and possibly to the use of paramilitary units. The Communist unions will be able to engage in such activity with relative impunity as long as the organizations to which they belong continue to be recognized as national labor federations or to enjoy government toleration.

The WFTU will be aided in its drive for control of Asian labor by the large number of Chinese workers throughout the area. For example, in Thailand and Malaya, the labor force is heavily intermixed with Chinese workers who are organized in their own unions. Similar unions of Chinese workers are to be found in smaller numbers in Indonesia and the Philippines. These Chinese unions will have a natural tendency to turn for guidance and leadership to the Chinese Communist national labor federation and hence will be more susceptible to direction by the Asian Labor Bureau. Moreover, Chinese Communist labor agitators will probably have greater latitude to operate throughout the area after the Southeast Asian governments recognize the Chinese Communist regime.

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3. Probable Results of WFTU Drive.

Although the WFTU drive will be less effective in areas still occupied by troops of the colonial powers (e.g. Malaya and French-occupied Indochina), it may achieve considerable success in the independent countries, especially Burma, Thailand, Indonesia, and the Philippines. Factors favoring the success of the WFTU drive include: (1) the unfamiliarity of the native governments and non-Communist labor with WFTU tactics and policies; (2) the continued failure of the Western national labor organizations to establish close working liaison with native labor leaders; and (3) the comparative weakness and immaturity of the Nehru-oriented, anti-Communist Asian Labor Federation. To the extent that the native governments and other non-Communist forces in Southeast Asia fail to overcome these weaknesses and to take decisive action against Communist-led labor union, open cooperation between the WFTU and the national labor federations in Burma, Thailand, Indonesia, and the Philippines will result.

If the Communists succeed in establishing effective control over the Southeast Asian labor movements, the USSR will have made considerable progress toward political domination of the area. Control of the labor force would increase the Communist potential for undermining economic stability in these countries, and would provide the basis of support for "united front" movements and paramilitary units, as well as for the extension of Chinese Communist influence throughout Southeast Asia.

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